



# IMI Analyst Briefing 2025 Q1

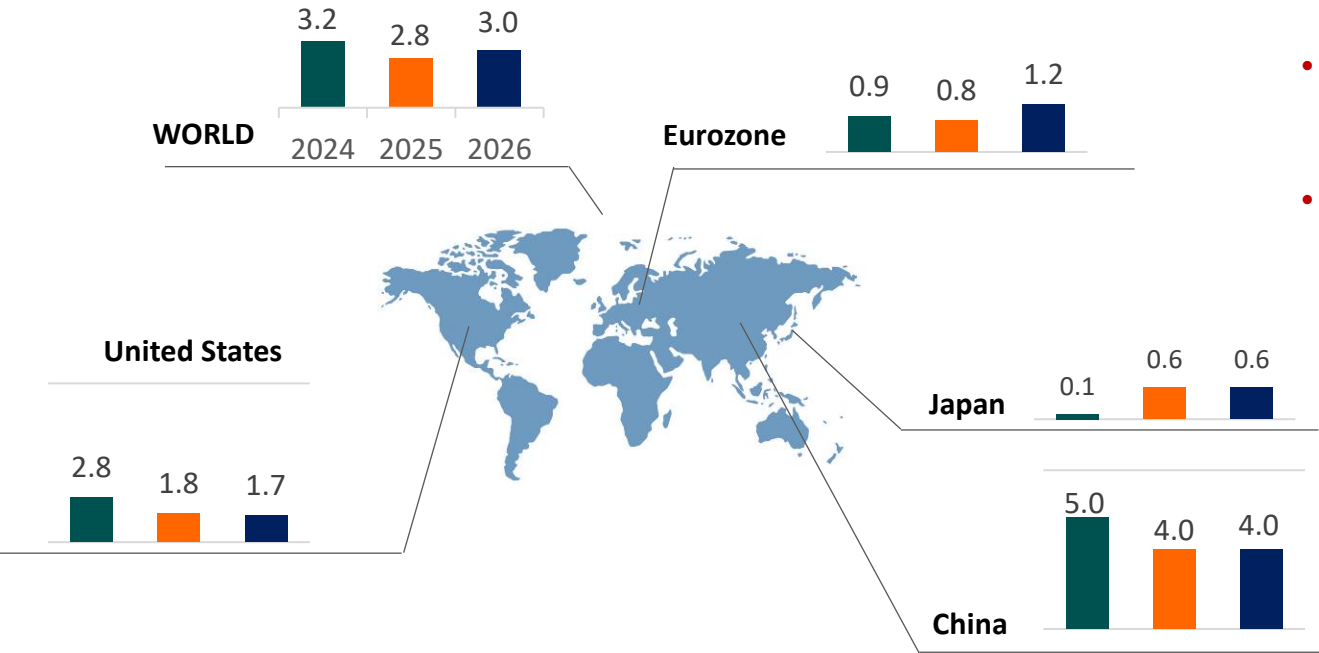
May 8, 2025  
Online



# **Market Outlook**



# Economic Growth Figures



- Uncertainty from government policy shifts
- Growth rate forecasts marked down in the past few months as tariff situation unfolds
- Inflation to decrease slower than initially expected

|                  | 2024 | 2025 | 2026 |
|------------------|------|------|------|
| Global Inflation | 5.8% | 4.3% | 3.6% |

Source: Annual GDP growth: IMF World Bank Outlook January 2025

**CONFIDENTIAL AND PROPRIETARY.** Any use or dissemination of this material without the expressed written permission of Integrated Micro-Electronics Inc. and/or AC Industrial Technology Holdings Inc. is strictly prohibited.



# Automotive Market Outlook



- Escalating trade tensions has disrupted supply chains and increased costs for certain manufacturers reliant on international trade
- Lingering high interest rates have dampened consumer enthusiasm particularly in the EV market
- Competition from Chinese EV manufacturers are driving down competitive market prices
- Stricter environmental regulations particularly in the EU are forcing the industry to invest heavily in technology to meet these standards



# Industrial Market Outlook



- AI being deployed as proactive threat management in industrial security applications
- Data center business identified as key growth market – also emphasizing need for energy efficient technologies
- Battery innovation continues with growing need for high energy density energy sources to manage power for EVs and renewable energy applications
- Satellite based I-o-T expanding reach of market to rural and maritime based applications

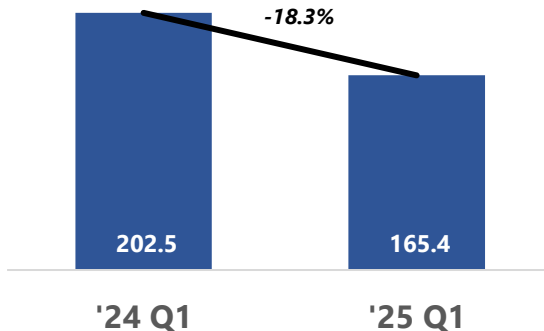


# Financials



# 2025 Q1 Segment Updates

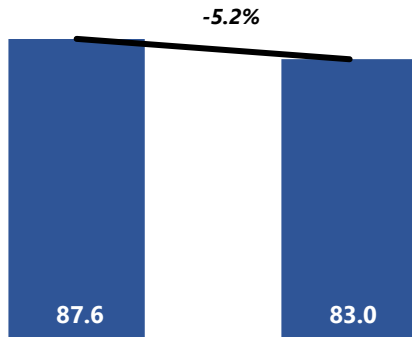
## Automotive



### ➤ Automotive:

- Decreased demand from European end-customers affecting OEM sales
- Automotive camera revenues from IMI Philippines also affected by market slowdown
- IMI managing uncertainty from tariff situation with European tier 1's and OEMs
- Continued ramp-up phase for steering application business

## Non-Auto



### ➤ Non-Automotive:

- Industrial market starting to stabilize after a period of inventory correction
- Continued exit from non profitable businesses
- Recovery in industrial security access revenues
- Increased revenue from energy management smart metering and HVAC applications
- Hunting opportunities in data centers and renewable energy applications

*Includes non-core businesses*

**CONFIDENTIAL AND PROPRIETARY.** Any use or dissemination of this material without the expressed written permission of Integrated Micro-Electronics Inc. and/or AC Industrial Technology Holdings Inc. is strictly prohibited.

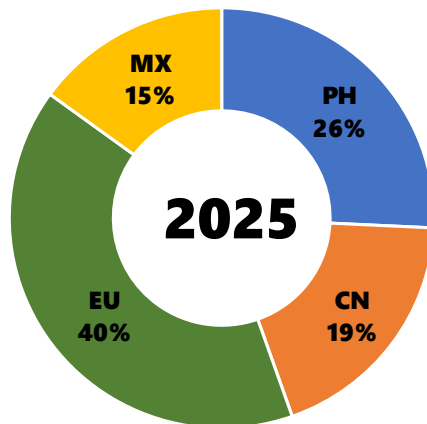
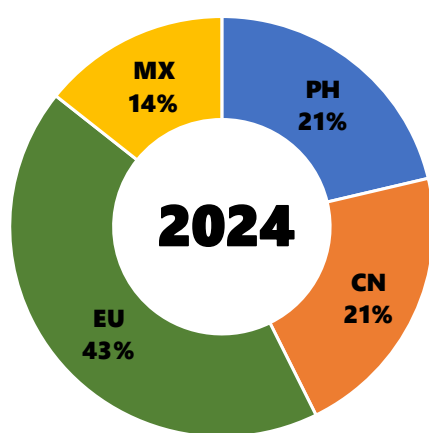






# 2025 Q1 Region Updates

|    | '24 Q1 | '25 Q1 | Y/Y % |
|----|--------|--------|-------|
| PH | 56.3   | 57.6   | 2%    |
| CN | 56.5   | 42.2   | -25%  |
| EU | 113.7  | 90.4   | -20%  |
| MX | 37.8   | 33.5   | -11%  |



## ➤ Philippines:

- Recovery of industrial business in the Philippines primarily from security products
- Continued growth of new industrial business lines
- Lean organizational structure leading to improved profitability

## ➤ China:

- Closure of Chengdu facility affecting y-o-y revenue comparison
- Rebalanced customer portfolio with reduction of share from low-profitability businesses
- Exploring other consolidation opportunities in the region to further optimize footprint

## ➤ Europe:

- Softness in end-customer demand continues in European automotive market
- Collaborating closely with customers to manage tariff situation between European OEMs and American market
- Transition period of customer transfers within European sites disrupting monthly volume

## ➤ Mexico:

- Continued ramp-up of new generation of steering application business has not yet hit peak mass production volume

Core business revenues

**CONFIDENTIAL AND PROPRIETARY.** Any use or dissemination of this material without the expressed written permission of Integrated Micro-Electronics Inc. and/or AC Industrial Technology Holdings Inc. is strictly prohibited.



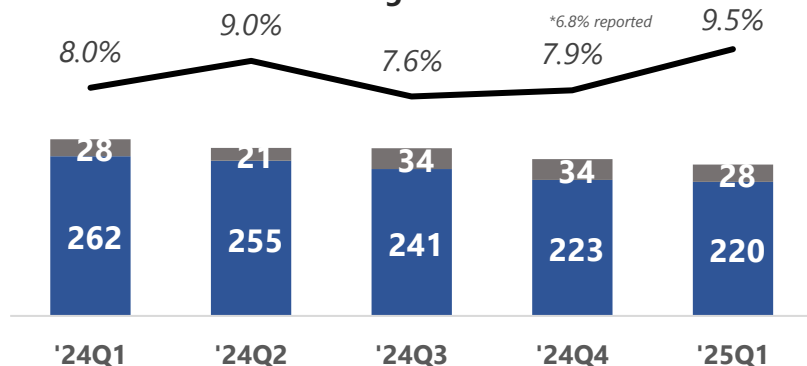




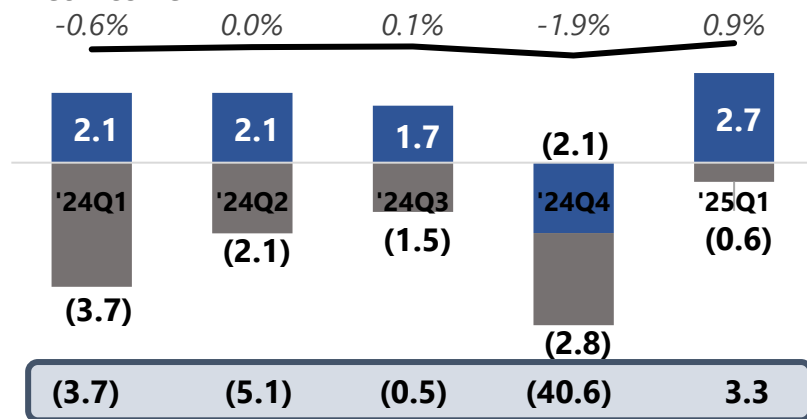
# 2025 Q1 Group Performance (Non-GAAP)

CORE

## Revenue and Gross Profit Margin



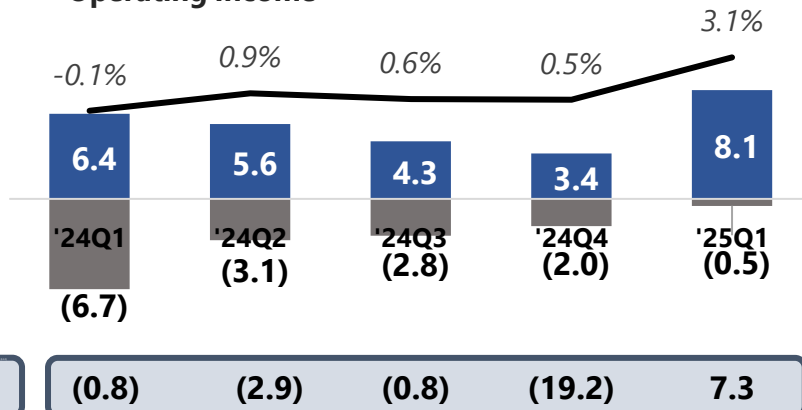
## Net Income



Reported

Reported

## Operating Income



- Improved profitability margins despite challenges in revenue
- Restructuring initiatives in VIA have narrowed losses in the subsidiary
- Significant amount of one-offs in 2024 to facilitate restructuring
- Non-GAAP figures in 2025 Q1 adjusted to remove unrealized FX gains

Includes non-core businesses

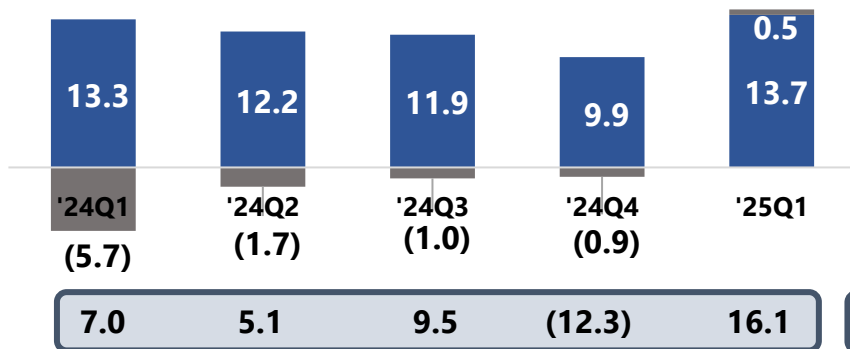
**CONFIDENTIAL AND PROPRIETARY.** Any use or dissemination of this material without the expressed written permission of Integrated Micro-Electronics Inc. and/or AC Industrial Technology Holdings Inc. is strictly prohibited.



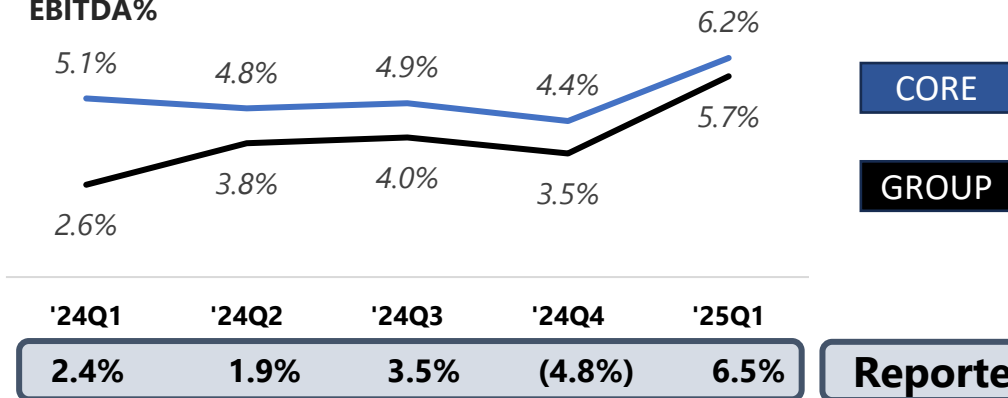


# 2025 Q1 Group Performance (Non-GAAP) CORE

## EBITDA



## EBITDA%



- Direct Material Cost improvement from renegotiation with suppliers and identification of alternative components
- Better utilization of overhead from footprint consolidation and decentralization of group functions
- Lean support organization with increased accountability reduced SG&A expenses
- Further improvement targeted with renewed focus on profitable revenue generation

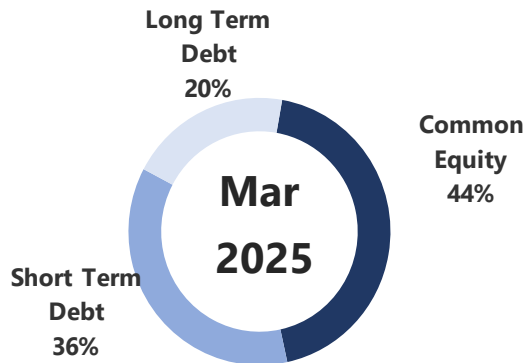
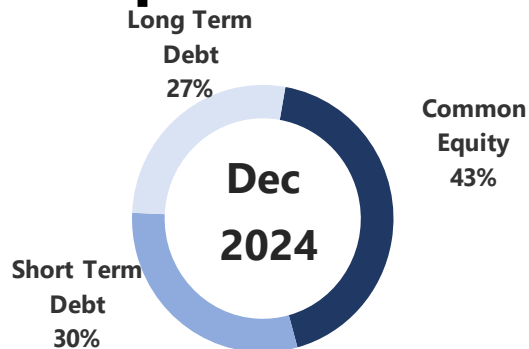
*Includes non-core businesses*

**CONFIDENTIAL AND PROPRIETARY.** Any use or dissemination of this material without the expressed written permission of Integrated Micro-Electronics Inc. and/or AC Industrial Technology Holdings Inc. is strictly prohibited.





# Capital Structure



| (US\$ Millions)                      | Dec 2024 | Mar 2025 |
|--------------------------------------|----------|----------|
| Short-Term Debt                      | 152.6    | 189.1    |
| Long-Term Debt                       | 137.9    | 104.9    |
| Total Bank Debts                     | 290.5    | 294.0    |
| Cash and Investments                 | 92.0     | 115.2    |
| Net Debt                             | 198.5    | 178.8    |
| Common Equity Attributable to Parent | 218.6    | 229.2    |

| Key Financial Ratios      | Dec 2024 | Mar 2025 |
|---------------------------|----------|----------|
| Current ratio             | 1.39     | 1.43     |
| Bank Debt/ Total Equity   | 1.30     | 1.26     |
| Net Debt / Total Equity   | 0.89     | 0.77     |
| Book value/share (\$) *   | \$0.10   | \$0.10   |
| Book value/share (PHP) ** | ₱5.78    | ₱6.00    |

- \$22.4M cash generated from operations in Q1
- Long term debt paid down in Q1 with further debt reduction anticipated in coming periods
- Cash at a comfortable level with additional credit lines available
- Balance sheet ratios within target

\*Excluding Minority Interest

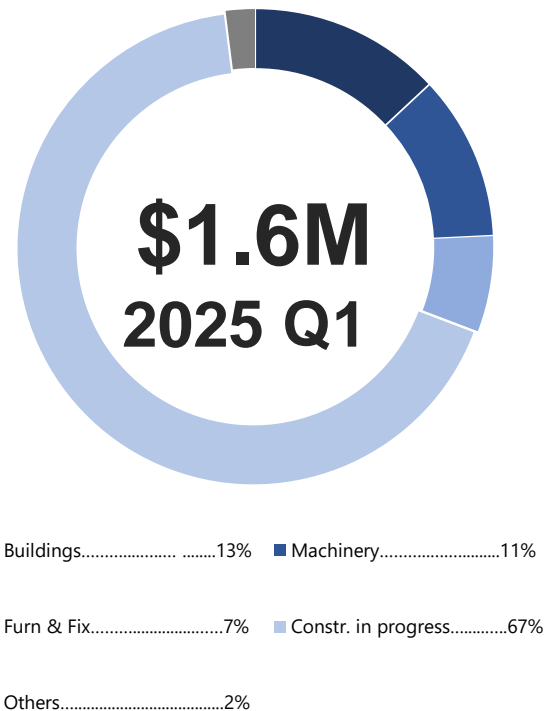
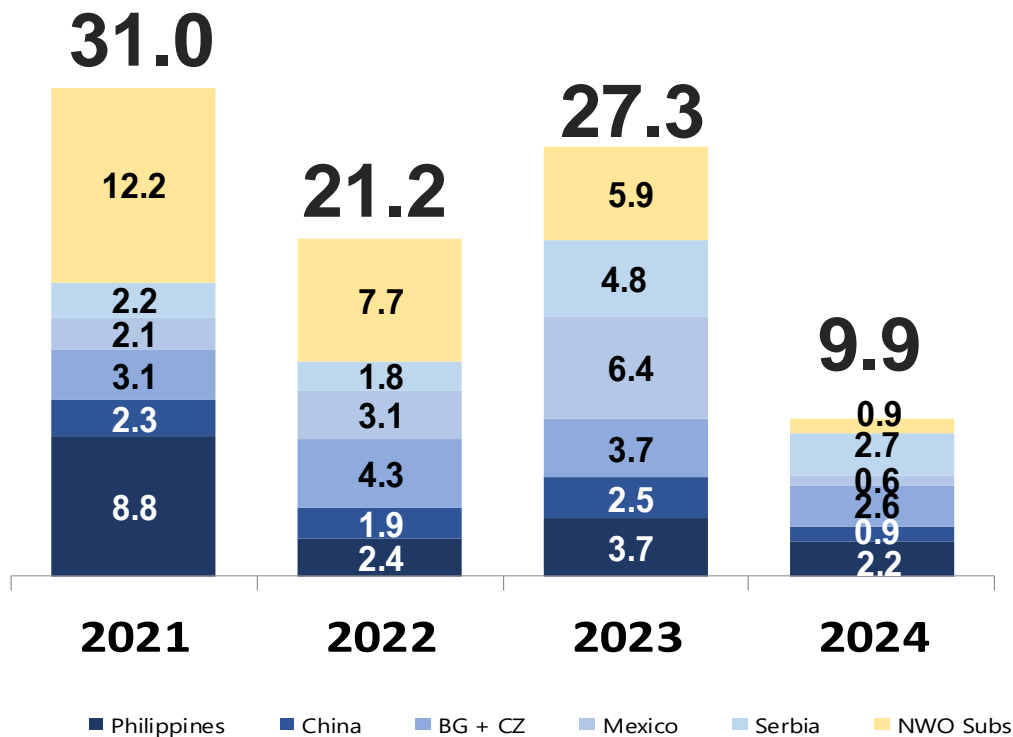
\*\* Forex Rates at respective period close

**CONFIDENTIAL AND PROPRIETARY.** Any use or dissemination of this material without the expressed written permission of Integrated Micro-Electronics Inc. and/or AC Industrial Technology Holdings Inc. is strictly prohibited.





# Disciplined Capital Investments





# Key Takeaways

## ➤ Positive Net Income and EBITDA

- Core FOH and GAE decreased by \$6.1 million in y-o-y in Q1 2025
  - Shutdown of Chengdu facility and closure of various sites and offices in Europe and Asia
  - Flattened management organization
- VIA FOH and GAE decreased by \$6.3 million in y-o-y in Q1 2025
  - Restructured organization to better align with market conditions
  - Delisting from NYSE decreased regulatory and management expenses

## ➤ Revenues

- Continued softness in the European automotive market
- Positive on industrial turnaround with security business normalizing and significant potential in datacenters and renewable energy applications

## ➤ Tariffs

- Minimal direct impact given terms of business with IMI customers
- Actively managing situation with customers and their OEM partners
- Opportunities to leverage IMI's well-positioned footprint to serve companies looking to shift out of China



**Q&A**



**YOUR GLOBAL  
TECHNOLOGY  
SOLUTIONS PARTNER**



*connect with us*